

NORTHERN FUNDS

NORTHERN ENGAGE360™ FUND (NENGX)

As of 09/30/20

FUND COMMENTARY

Markets around the world were once again broadly positive in the third quarter as the MSCI All Country World Index (ACWI) appreciated by 8.13%. Growth companies continued to be in favor as the MSCI ACWI Growth appreciated 12.00% versus the MSCI ACWI Value's return of +3.97%. Growth companies have now outperformed value by 32.67% year-to-date. The U.S. equity market, as measured by the S&P 500, finished the third quarter strong (+8.93%) despite volatility returning in September. International equities, as proxied by the MSCI EAFE Index, appreciated 4.80%, while the MSCI Emerging Markets Index appreciated 9.56% as the top four most heavily weighted countries all produced double-digit positive returns.

The Fund performed in line with its benchmark, the MSCI ACWI Index, in the third quarter appreciating 8.07% compared to the benchmark return of 8.13%. The Fund's positive stock selection was unable to outweigh the negative effects of the portfolio's positioning. The Fund's positive selection was most pronounced in the communication services and healthcare sectors. An underweight to the consumer discretionary sector detracted from performance. Regionally, stock selection in the U.S. added to relative performance while stock selection in emerging markets and Europe detracted. From a factor perspective, the Fund's slight growth tilt, higher volatility, lower dividend yield and lower leverage orientation added to relative returns.

Sub-advisers EARNEST, Mar Vista, and ARK added to the Fund's excess returns in the quarter. ARK's disruptive innovation strategy contributed most, benefitting from stock selection in its healthcare, communication services, and consumer discretionary holdings as well as having underweights to the energy and financials sectors. Large cap value sub-adviser Aristotle performed well within their style yet slightly trailed the Fund's benchmark. The largest detractors to relative returns came from international equity sub-advisers Ariel and SGA. Ariel's underperformance was driven by stock selection in consumer discretionary and financials holdings, while SGA's relative underperformance was driven by both stock selection and portfolio positioning.

Please carefully read the summary prospectus or prospectus and consider the investment objectives, risks, charges and expenses of Northern Funds before investing. Call 800-595-9111 to obtain a summary prospectus or prospectus, which contains this and other information about the funds.

©2020 Northern Funds | Northern Funds are distributed by Northern Funds Distributors, LLC, not affiliated with Northern Trust.



NORTHERN FUNDS
NORTHERN ENGAGE360™ FUND (NENGX)

Performance as of 09/30/20				Annualized Returns					
FUND	QTR	YTD	1 Year	3 Year	5 Year	10 Year	Since Inception*	Gross Expense Ratio	Net Expense Ratio
Northern Engage360™ Fund	8.07%	2.99%	10.66%	N/A	N/A	N/A	5.55%	0.78%	0.70%
MSCI ACWI Index	8.13%	1.37%	10.44%	N/A	N/A	N/A	6.62%		

*Inception Date- 11/20/17

Performance quoted represents past performance and does not guarantee future results. Investment return and principal value will fluctuate so that shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than that shown here. Performance data current to the most recent month end is available by calling 800-595-9111.

The Gross and Net Expense Ratios are as of the most recent prospectus. The Net Expense Ratio includes contractual expense reimbursements that, if not extended, will end on July 31, 2021.

Not FDIC insured | May lose value | No bank guarantee

Please remember that all investments carry some level of risk, including the potential loss of principal invested. They do not typically grow at an even rate of return and may experience negative growth. As with any type of portfolio structuring, attempting to reduce risk and increase return could, at certain times, unintentionally reduce returns.

Please carefully read the summary prospectus or prospectus and consider the investment objectives, risks, charges and expenses of Northern Funds before investing. Call 800-595-9111 to obtain a summary prospectus or prospectus, which contains this and other information about the funds.

©2020 Northern Funds | Northern Funds are distributed by Northern Funds Distributors, LLC, not affiliated with Northern Trust.

